

Message Text

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ACTION EB-08

INFO OCT-01 EA-09 ISO-00 SSO-00 USIE-00 INRE-00 AID-05

CIAE-00 COME-00 FRB-01 INR-07 NSAE-00 TRSE-00

XMB-04 OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 STR-04

ITC-01 L-03 H-02 PA-02 PRS-01 /062 W

-----300749Z 045478 /13

O R 300626Z MAR 77

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC IMMEDIATE 2931

INFO AMEMBASSY TOKYO

AMEMBASSY TAIPEI

AMEMBASSY SINGAPORE

UNCLAS SEOUL 2544

E.O. 11652: NA

TAGS: ETRD, KS

SUBJECT: ESCAPE CLAUSE CASE ON TV RECEIVERS - COLOR TV'S

REFS: STATE 68296; SEOUL 2468; SEOUL'S A-022, 3/4/76

1. THIS MESSAGE SUPPLEMENTS INFORMATION PROVIDED IN REFERENCES.

KOREA COLOR TELEVISION SET PRODUCTION BEGAN IN 194 WITH ASSEMBLY FROM IMPORTED PARTS. UNTIL 1976, THE SOLE PRODUCERS OF COLOR TV WERE CROWN (NIPPON CROWN - NAM SUNG HUNGUP) AND KOREA NATIONAL (NATIONAL PANASONIC - MATSUSHITA DENKI/ANAM INDUSTRIAL CO.) BOTH JAPANESE JOINT VENTURES. FIVE KOREAN FIRMS REPORTEDLY PLAN TO ENTER INTO MARKET. ALL PRODUCTION HAS BEEN EXPORTED AND HAS BEEN MARKETED THROUGH THE JAPANESE JOINT VENTURE PARTNERS. DECISIONS BY KOREAN FIRMS TO ENTER INTO PRODUCTION WILL BE AFFECTED BY THE OUTCOME OF THE I.T.C. CASE AND BY THE TIMING OF ROKG DECISION TO PERMIT COLOR TRANSMISSION. ,

L ASSEMBLY IS FROM IMPORTED PARTS AND TAKES PLACE IN EXPORT ZONES. COLOR TV IS PRODUCED IN 12 INCH AND 14 INCH SCREEN SIZES ONLY. IMPORTS OF UNCLASSIFIED

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COLOR RECEIVERS HAVE BEEN MINIMAL AND USUALLY THROUGH NON-COMMERCIAL CHANNELS.

2. PRESS COVERAGE OF THE ITC RECOMMENDATION HAS INCLUDED WIRE SERVICE REPORTING FROM WASHINGTON AS WELL AS FROM NEW YORK IN CONNECTION WITH THE LANDMARK SUIT OF THE ZENITH CORP. TO ESTABLISH THAT REBATE OF DOMESTIC TAXES BY THE GOJ

ON TV SETS CONSTITUTES A "SUBSIDY" WITHIN THE MEANING OF THE TRADE ACT.

4. ROKG BRIEFERS HAVE REPORTEDLY INFORMED THE PRESS THAT ROKG BELIEVES PROPOED RESTRAINTS TO BE "UNFAIR" IN LIGHT OF THE FACT THAT THE KOREAN TV EXPORT INDUSTRY IS JUST DEVELOPING AND IS A GOOD CUSTOMER FOR U.S. PARTS AND RAW MATERIALS. THEY REPORTEDLY INDICATED THAT THE ROKG WOULD STRIVE DIPLOMATICALLY TO SOLVE THE PROBLEM BEFORE THE PRESIDENT'S DECISION AND WOULD BE PREPARED TO "PROTEST STRONGLY" SHOULD A 25 PERCENT TARIFF BE APPLIED TO KOREAN MADE TV RECEIVERS.

3. EDITORIAL CMMMENT WHICH HAS BEEN CARRIED BY MOST JOURNALS HAS STRESSED THAT IMPOSITION OF ITC RECOMMENDATIONS WOULD, (A) BE A HARD BLOW AND PERHAPS NIP THE KOREAN COLOR TV INDUSTRY IN THE BUD JUST WHEN IT HAS CAPITALIZED FOR EXPANDED EXPORT PRODUCTION, (B) PENALIZE KOREA FOR A PROBLEM CAUSED BY JAPAN WHILE FAILING TO DIFFERENTIATE BETWEEN THE ONE AS AN ADVANCED NATION AND THE OTHER AS A DEVELOPING COUNTRY, (C) COST U.S. CONSUMERS HEAVILY AS THE DUTY RATE INCREASE WOULD BE AMPLIFIED BY INCREASED MARKUPS WHICH WOULD BE ADDED THROUGH TH U.S. DISTRIBUTION SYSTEM, AND (D) STIMULATE PROTECTIONIST TREATMENT FOR OTHER PRODUCTS AND BY OTHER COUNTRIES. SOME EDITORIALS CALL FOR LOCAL SUBSTITUTION FOR IMPORTED PARTS AND MATERIALS AND INCREASING QUALITY OF KOREAN OUTPUT TO INCREASE VALUE ADDED PER UNIT.

4. FOURTH 5-YEAR PLAN PROJECTIONS FOR COLOR TV DEMAND, UNCLASSIFIED

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PRODUCTION, EXPORT, INVESTMENT AND EMPLOYMENT:
(SETS IN THOUSANDS, VALUE FIGURES BASED ON \$200.- PER SET.
INVESTMENT IN \$1,000.-)

DEMAND	1976	1977	1978	1979	1980	1981
TOTAL SETS	36	83	365	720	1,100	1,700
\$	7,262	16,695	73,000	144,000	220,000	340,000
DOMESTIC	10	30	110	200	320	500
\$	2,000	6,000	22,000	40,000	64,000	100,000
EXPORTS	26	53	255	520	780	1,200
\$	5,262	10,695	51,000	104,000	156,000	240,000
PRODUCTION	36	83	365	720	1,100	1,700

NEW PLANTS 1 1 1 1 2 3

INVESTMENT \$ 4,666 15,332 11,332 12,666 25,332 40,000

NEW EMPLOYEES 700 2,300 1,700 1,900 3,799 6,000
STERN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, TELEVISION EQUIPMENT, ESCAPE CLAUSE (TARIFF), EXPORT DATA
Control Number: n/a
Copy: SINGLE
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Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Format: TEL
From: SEOUL
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t1977036/aaaaaezp.tel
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Litigation History:
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SAS ID: 3109096
Secure: OPEN
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Subject: ESCAPE CLAUSE CASE ON TV RECEIVERS - COLOR TV'S
TAGS: ETRD, KS, JA, US
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vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/2934f8b7-c288-dd11-92da-001cc4696bcc
Review Markings:
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